2000

ANNUAL REPORT

PRINCE EDWARD ISLAND

MARKETING COUNCIL

101-04752/

Prince Edward Island
CANADA

Agriculture
and Forestry

Marketing Council
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March 30, 2001

Hon. Mitch Murphy
Minister of Agriculture and Forestry
11 Kent Street
Charlottetown, P.E.I. C1A 7N8

Dear Mr. Murphy:

I have the honour to submit herewith the operations report of the Prince Edward Island Marketing Council for the 2000 calendar year.

Marketing Council's financial report for the 1999/2000 fiscal year is amalgamated with the financial report of the Department of Agriculture and Forestry as Council's annual allocation is provided through the Department.

Respectfully submitted,

Kenneth MacLellan
Chair

/er

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PRINCE EDWARD ISLAND MARKETING COUNCIL

The Prince Edward Island Marketing Council is a statutory body established under the *Natural Products Marketing Act*, R.S.P.E.I. 1988, Cap. N-3. The Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the Act.

As of December 31, 2000, the Prince Edward Island Marketing Council consisted of the following members and staff:

Kenneth MacLellan, Chairman
Ronald Myers, Member
Murray Cook, Member
Bert Honkoop, Member
Edgar Dennis, Member
Fred Dollar, Member
Rena Thompson, Member

Charles Coles, Marketing Council Officer
Eleanor Richard, Staff

Marketing Council held twelve meetings in 2000, including four conference calls, and continued to keep abreast of issues facing the commodity boards, providing assistance when requested.
Marketing Council has responsibility to set bulk transportation rates for milk, and during 2000, Council established a revised methodology to set those rates. The revised methodology better reflects the true cost of milk transportation from farms to processors in the province. This project required extensive discussions with milk transporters and other stakeholders in the dairy industry. Revised rates for all transporters were put in place effective November 16, 2000.
Marketing Council followed closely the development of a revised Federal Provincial Agreement for Chicken, and reviewed various drafts of a proposed agreement. At year's end, negotiations were still underway on a renewed agreement.
Council also reviewed and provided recommendations on regulation amendments to the Milk Marketing Regulations and the Potato Marketing Plan Regulations.
Marketing Council conducted milk utilization audits of milk processing plants. As well, Council and staff performed routine duties such as liaising with national agencies, conducting elections, regulating fluid milk prices and providing general supervision over the boards, commissions and commodity groups.

Appreciation and thanks is expressed to Mr. Peter Townshend, who completed a term as a member of Marketing Council during 2000, and to Ms. Barb Poirier, who served as staff support person to Marketing Council for several years. During 2000, Ms. Poirier took up other duties with the Department of Agriculture and Forestry.

APPEALS TRIBUNAL

The Natural Products Appeals Tribunal is a statutory body established under the *Natural Products Marketing Act*. It is responsible for hearing appeals of decisions made by commodity boards, marketing commissions and the Marketing Council.

As of December 31, 2000, the Natural Products Appeals Tribunal consisted of the following members and staff:

Donald MacDonald, Chair
Colbourne Clow, Member
Kevin Ladner, Member

Dianne Bradley, Staff

During 2000 there were no appeals heard. Notice of one appeal was received late in the year.

COMMODITY BOARDS

Commodity boards are established by regulations made pursuant to the *Natural Products Marketing Act*.

There are five commodity boards organized under the Act. The following provides a brief overview of each of these boards.

EGG COMMODITY MARKETING BOARD

As of December 31, 2000, there were 18 egg producers. The board of directors of the Egg Commodity Marketing Board consisted of the following persons:

Peter Vriends, Chairman
William Hicken, Vice-Chairman
Sterling Ching, Secretary Treasurer
Lorne MacNeill, Director
Don Burns, Director

Murray Myles, General Manager

Provincially, the egg industry continued to enjoy relatively stable conditions during 2000. On the national stage, the industry continued to struggle to identify a method of quota

allocation acceptable to all provinces. The Board was an active participant in the discussions concerning this matter, and late in the year a tentative agreement was reached.

During the year, the P.E.I Egg Commodity Board made a decision to reissue to producers quota that was retired in 1993. That decision was not ratified by the Canadian Egg Marketing Agency, and the Board served a Notice of Appeal with the National Farm Products Council. Following further discussion between CEMA and the Board, an agreement was reached that will result in the issuance of the quota.

The marketings for the year were 2.67 million dozen eggs of which 1.7 million dozen were consumed provincially and 0.96 million dozen were exported to Quebec breaking plants for industrial egg products. Gross farm cash receipts from eggs is approximately $3.6 million dollars annually. The Egg Board continues to purchase administrative support from the Milk Marketing Board.

HOG COMMODITY MARKETING BOARD

As of December 31, 2000, there were approximately 300 hog producers. The Hog Commodity Marketing Board consisted of the following persons:

Rodney Dingwell, Chairman
Dale Murray, Vice-Chairman
Andrew Van Weichen, Secretary-Treasurer
Guy Cudmore, Director
Ian Mutch, Director
Mark Pridham, Director

Robert Harding, Executive Director

The Hog Commodity Marketing Board was very active in 2000 as the hog producers of P.E.I. continued to feel the effects of low market returns in the previous year and early in 2000. The Board was involved in the administration of the Swine Quality Improvement Program.

The Board establishes a weekly market price for all hogs produced in Prince Edward Island and calculates a suggested price for weanlings based on this market price. The Board also licences new producers entering the industry, and licenses processors, assemblers, and transporters of hogs within the province.

The Board administers and actively participates in pork promotion and educational programs with consumers, retailers, foodservice and health professionals on a provincial, regional and national basis.

The Canadian Quality Assurance (CQA®) program was developed by the Canadian Pork Council to assure consumers that Canadian pork is produced with food safety in mind and that responsible production practices are followed. The Board is responsible for implementation and delivery of the program in the province.

In 2000, the hog industry produced about 195,000 market hogs, with farm cash receipts valued at over $30 million.

MILK MARKETING BOARD

As of December 31, 2000, there were 329 dairy producers. The board of directors of the Milk Marketing Board consisted of:

John Van Ekris, Chairman
Randall Affleck, Vice-Chairman
Ronald Maynard, Secretary
Gary Hughes, Treasurer (Cream Rep.)
Brian Dingwell, Director
Eric Phillips, Director
Harold MacNevin, Director
Ian McIsaac, Director
Dale Hickox, Director

Murray Myles, Director of Finance & Administration

During 2000, the Milk Marketing Board continued to focus much attention on matters related to supply management A challenge by New Zealand and the United States under the World Trade Organization (WTO) agreement resulted the removal of the Milk Marketing Board from any involvement in matters relating to the export of milk products beyond the amounts provided for in the World Trade Agreement.

The Board continued to support the development of a proposal concerning the amalgamation of the Milk Marketing Board and the Dairy Producers Association.

Also the Milk Marketing Board dealt with routine matters such as producer quota transfer requests, establishment of producer quotas and involvement in a number of provincial and national committees. National committees included the Canadian Milk Supply Management Committee and the All - Milk Pool Supervisory Body.
Farm cash receipts for the P.E.I. dairy industry from milk sales in 2000 for the Canadian market were approximately $54.8 million dollars with 93.6 million litres of milk and cream produced.

POTATO BOARD

As of December 31, 2000, there were approximately 650 potato producers. The board of directors of the Potato Board consisted of:

Tom Sherry, Chairman
Vernon Campbell, Vice-Chairman
Paul MacAulay, Secretary-Treasurer
John Wallace, Director
Bertram Webster, Director
Kelly Corcoran, Director
Layton Wallace, Director
Ross Lewis, Director
Owen Ching, Director

Ivan Noonan, General Manager

The Seed Strategy developed in 1999 by the Board and other industry stakeholders remained in place, and improvements in the Strategy that had been identified were implemented. Early indications show a significant improvement in seed quality as a result of the strategy.

The Board continued to set minimum prices for PEI tablestock potatoes sold in the Canadian market through the first half of the year.

The Board faced an industry crisis late in the year when an isolated case of the Potato Wart fungus was identified in a single field of processing potatoes in the province. At year's end, the Board continued to work closely with other industry stakeholders in dealing with this situation.

Total provincial production of potatoes amounted to 29,160,000 hundredweight with farm cash receipts being reported as $163 million. The Board licensed 63 dealers and 10 exporters in 2000.

POULTRY MEAT COMMODITY MARKETING BOARD

As of December 31, 2000, there were 7 poultry producers. The board of directors of the Poultry Meat Commodity Marketing Board consisted of:

Leonard Carver, Chairman
David MacKenzie, Secretary
Dean Good, Director
Kevin Carver, Director
Andre Merks, Director
Adrian Uyterlinde, Director
Willard MacPhail, Director

Janet Hilliard-Murphy, Secretary/Manager

In 2000, Island farmers produced over 3.4 million kilograms (eviscerated weight) of chicken meat during the year. The farm cash receipt value totalled over $5.4 million. The Board representative to Chicken Farmers of Canada was involved in the development of a proposed new Federal/Provincial Agreement governing the Canadian chicken industry. At year's end, discussion on the proposed new agreement was continuing among stakeholders in the industry.

The development of an On-Farm Food Safety Program for Island producers was an important project for the Board during 2000. With the development and implementation of validation procedures, the program will be fully operational.

MARKETING COMMISSIONS

Marketing Commissions established by regulations made pursuant to the *Natural Products Marketing Act.*

There is one marketing commission organized under the Act:

TURKEY MARKETING COMMISSION

This Commission remains inactive.

COMMODITY GROUPS

Commodity groups are established by order of the Minister of Agriculture and Forestry pursuant to the *Natural Products Marketing Act*.

The powers of a commodity group are restricted to collecting a refundable levy from producers. There is presently one commodity group organized under the Act:

CATTLEMEN'S ASSOCIATION INC.

As of December 31, 2000, the board of directors of the Prince Edward Island Cattlemen's Association Inc. consisted of:

Dean Baglole, President
Vernon O'Connor, Vice-President
Don Godfrey, Secretary-Treasurer
Duane MacDonald, Director
Darlene Sanford, Director
Buddy Loane, Director

Susan Hughes-Rowan, Industry Development Officer

The Cattlemen's Association participates in national beef information and promotion efforts.
The Association signed a National Checkoff agreement with the Canadian Cattlemen's Association during 2000, enabling the Association to participate in funding of the National Beef Cattle Research, Market Development and Promotion Agency.
The branded product established under the leadership of the Maritime Beef Development and Marketing Group continued to have success in the retail marketplace during the year. The PEI Cattlemen's Association is carrying out the administrative work related to the project.
The Association participated in the development of a Code of Practice for Watering Livestock on Pasture. The Code was accepted by the Farm Practices Review Board.
The Association and the Milk Marketing Board, with support from government, renewed an agreement to provide an Island - wide dead stock removal service.

There were approximately 28,100 head of cattle marketed in 2000, with a farm cash receipt value of approximately $27.5 million.